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**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

|   |   |                          |
|---|---|--------------------------|
| -----X                                    | : |                          |
| Jennifer L. Wilson,                       | : |                          |
|   | : | Adv. Proc. 12-01936 (MG) |
| Plaintiff,                                | : |                          |
|   | : |                          |
| v.  | : |                          |
|   | : |                          |
| Residential Capital, LLC, <i>et al.</i>   | : |                          |
|   | : |                          |
| Defendants.                               | : |                          |
| -----X                                    | : |                          |
| In re                                     | : |                          |
|   | : | Case No. 12-12020 (MG)   |
| RESIDENTIAL CAPITAL, LLC, <i>et al.</i> , | : |                          |
|   | : | Chapter 11               |
|   | : |                          |
| Debtors                                   | : | Jointly Administered     |
| -----X                                    | : |                          |

**THE RESCAP LIQUIDATING TRUST’S STATUS REPORT REGARDING  
RESOLUTION OF MATTERS BETWEEN THE RESCAP LIQUIDATING TRUST, THE  
RESCAP BORROWER CLAIMS TRUST AND JENNIFER L. WILSON**

The ResCap Liquidating Trust (the “Liquidating Trust”) on its own behalf and as successor in interest to the above captioned Debtors (as such term is defined below), hereby submits this Status Report to apprise the Court of the resolution of all pending matters between the Liquidating Trust, and the ResCap Borrower Claims Trust (the “Borrower Trust” and together with the Liquidating Trust, the

“Trusts”) on the one hand, and Jennifer L. Wilson (“Wilson”) on the other (together, Wilson, the Liquidating Trust, and the Borrower Trust the “Parties,” and each a “Party”).

### **General Background**

1. On May 14, 2012 (the “Petition Date”), Residential Capital, LLC and its affiliated debtor entities (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) filed in the Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

2. On December 11, 2013, the Bankruptcy Court entered the *Order Confirming Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC et al. and the Official Committee of Unsecured Creditors* approving the terms of the Chapter 11 plan, as amended (the “Plan”), filed in the Chapter 11 Cases [Dkt. No. 6065]. On December 17, 2013, the effective date of the Plan occurred and, among other things, the Liquidating Trust and Borrower Trust were established [Dkt. No. 6137].

### **The Adversary Proceeding and Related Appeal and Proceedings**

3. On November 9, 2012, Wilson by the filing of a complaint in the Chapter 11 Cases initiated an adversary proceeding, Case No. 12-01936 (MG) (the “Adversary Proceeding”), against Debtor defendants Residential Capital, LLC and Residential Funding Company, LLC (together, the “Debtor Defendants”).

4. On January 7, 2013, the Debtor Defendants filed a Motion to Dismiss the Adversary Proceeding (the “Motion to Dismiss”), including a declaration in support (Adv. Dkt. No. 4); on March 14, 2013, Wilson filed an Opposition to the Motion to Dismiss, including an objection to the declaration (Adv. Dkt. nos. 14-17); and on March 7, 2014, the Liquidating Trust, in its capacity as successor in interest to the Debtor Defendants, filed a Reply to the Opposition (Adv. Dkt. No. 38).

5. On May 1, 2014, the Bankruptcy Court conducted a hearing to consider the Motion to Dismiss and during the hearing directed the Liquidating Trust and Wilson to submit supplemental briefing. Following the hearing, Wilson and the Liquidating Trust filed supplemental pleadings (*see* Adv. Dkt. nos. 55, 56-1 and 60). On July 7, 2014, the Bankruptcy Court issued its Memorandum Opinion Granting Motion to Dismiss in Part With Prejudice and in Part Without Prejudice (the “Memorandum Decision”) (Adv. Dkt. No. 62). In the Memorandum Decision, the Bankruptcy Court concluded, among other things, that the complaint filed in the Adversary Proceeding by Wilson constituted an informal proof of claim against the Debtors (the “Informal Proof of Claim”) and would be adjudicated in the Adversary Proceeding.

6. Prior to the hearing held to consider the Motion to Dismiss, Wilson filed a Motion to Withdraw the Reference of the Adversary Proceeding with the United States District Court for the Southern District of New York. The proceeding is captioned *Wilson v. Residential Capital, LLC et al.*, Case No. 14-cv-03068 (PGG) (S.D.N.Y) (the “Motion to Withdraw the Reference”).

7. Following the entry of the Memorandum Decision, Wilson filed a Notice of Appeal of the Memorandum Decision (Adv. Dkt. No. 63) (the “Interlocutory Appeal”) and a Motion for Leave to Appeal the Memorandum Decision (the “Motion for Leave to Appeal”) (Adv. Dkt. No. 64). The Liquidating Trust filed an Objection to the Motion for Leave to Appeal (Adv. Dkt. No. 68) and Wilson filed a Reply in Opposition to the Liquidating Trust’s Objection (Adv. Dkt. No. 73.).

8. The Interlocutory Appeal was docketed with the United States District Court for the Southern District of New York as *Wilson v. Residential Capital, LLC, et al. (In re Residential Capital, LLC)*, Case No. 14-MC-00329 (S.D.N.Y.) and was eventually assigned to Judge Paul G. Gardephe along with the Motion to Withdraw the Reference.

9. On March 31, 2018, Judge Gardephe issued an Order in case nos. 14-cv-03068 and 14-MC-00329 denying the Motion to Withdraw the Reference and the Motion for Leave to Appeal (the “District Court Order”).

10. On May 7, 2018, Wilson filed in case no 14-cv-03068, a Motion to Reopen Time to File an Appeal (the “Motion to Extend Time”) seeking additional time to appeal the District Court Order. To date, the Motion to Extend Time remains pending.

**Status Report**

11. The Parties have recently participated in negotiations in an effort to resolve their pending disputes. This effort was successful and the Parties have entered into a settlement agreement that resolves all matters between the Trusts on the one hand, and Wilson on the other, including a resolution of the Informal Proof of Claim. In addition, in accordance with the Parties’ settlement agreement, Wilson will be withdrawing with prejudice: (i) the Adversary Proceeding, (ii) Case No. 1:11-CV-390 pending in the United States District Court for the Middle District of North Carolina, (iii) the Motion to Withdraw the Reference, (iv) the Interlocutory Appeal, (v) the Motion to Extend Time and (vi) any other pending litigation against the Trusts, the Debtors and certain other parties to which Wilson is a party.

Dated: July 31, 2018  
New York, New York

Respectfully submitted,

/s/ Norman S. Rosenbaum  
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